

Message Text

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ACTION EB-08

INFO OCT-01 EA-09 ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00
NSC-05 PA-02 AID-05 SS-15 STR-04 ITC-01 TRSE-00
USIA-15 PRS-01 SP-02 OMB-01 FEA-01 /093 W
-----110644Z 116996 /17

R 110155Z MAR 77
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 6052

UNCLAS TOKYO 3419

E.O. 11652: N/A
TAGS: ETRD, JA
SUBJECT: JAPANESE PRESS AND INDUSTRY REACTION TO ITC COLOR TV
DECISION

1. SUMMARY ITC DECISION DID NOT RPT NOT COME AS SHOCK TO JAPANESE, AS PROBABILITY OF UNFAVORABLE DECISION HAS BEEN REPORTED FOR LAST TWO WEEKS. WHILE BOTH GOJ AND INDUSTRY ARE AWAITING ITC RECOMMENDATIONS TO PRESIDENT, INITIAL REACTIONS ARE AS EXPECTED. GOJ HAS BEEN RELATIVELY SILENT IN PUBLIC, WITH ONLY CABINET SECRETARY SONODA CALLING DECISION "REGRETTABLE." INDUSTRY LEADERS LIKEWISE EXPRESSED THEIR REGRET THAT DECISION WENT AGAINST THEM, CLAIMING THAT ITC DECISION WILL CAUSE INJURY TO JAPANESE DOMESTIC COLOR TV INDUSTRY (SIC). TRADE NEWSPAPER ANALYSIS SAYS, HOWEVER, THAT JAPANESE COLOR TV MAKERS WILL BE ABLE TO COVER LOSS IN U.S. EXPORTS THROUGH DIVERSIFICATION INTO OTHER FIELDS. INCREASED INTEREST

IN U.S. INVESTMENT ALSO IS EXPECTED, ACCORDING TO PRESS. COLOR TV MAKER STOCKS ROSE ON TOKYO EXCHANGE AFTER ITC DECISION ANNOUNCED ON MARCH 9. END SUMMARY.

2. ITC DECISION DID NOT RPT NOT COME AS SURPRISE TO JAPANESE AS WASHINGTON-DATELINED STORIES HAVE PREDICTED UNFAVORABLE OUTCOME FOR LAST TWO WEEKS. GOJ PUBLIC REACTION HAS BEEN RELATIVELY SILENT.
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ACCORDING TO PRESS REPORTS, PM FUKUDA SAID HE EXPECTED DECISION, AND CHIEF CABINET SECRETARY SONODA, WHILE CALLING DECISION "REGRETTABLE," SAID GOVERNMENT WOULD FORMULATE POLICY ONLY AFTER ITC RECOMMENDATIONS ARE IN.

3. AS EXPECTED, JAPAN ELECTRONICS INDUSTRY CHAIRMAN YOSHIYAMA CALLED DECISION REGRETTABLE, AS DID MANY OTHER INDUSTRY LEADERS.

PRESS INTERVIEWS WITH TWELVE COLOR TV SET AND PARTS MANUFACTURERS REVEALED FIVE BASIC THEMES: (1) ITC DECISION WILL CAUSE INJURY TO DOMESTIC JAPANESE COLOR TV INDUSTRY (SIC); (2) DECISION GOES AGAINST INTEREST OF U.S. CONSUMER AND WILL CONTRIBUTE TO INFLATION IN U.S. (3) DECISION IS CONTRARY TO PRINCIPLES OF FREE TRADE; (4) JAPANESE COMPANIES REGRET THAT THEIR POSITION WAS NOT "PROPERLY" CONSIDERED OR UNDERSTOOD BY ITC; AND (5) JAPANESE INDUSTRY HOPES GOJ WILL FORCEFULLY PRESENT THEIR VIEWS TO USG IN FUTURE NEGOTIATIONS.

4. INDEPENDENT ANALYSIS OF ITC DECISION BY NIHON KEIZAI SAYS THAT JAPANESE COLOR TV MAKERS, BECAUSE THEY ARE LARGE, INTEGRATED ELECTRICAL MANUFACTURERS, SHOULD BE ABLE TO COVER ANY LOSSES IN U.S. EXPORT REVENUE THROUGH DIVERSIFICATION INTO OTHER OVERSEAS MARKETS AND PRODUCT LINES, E.G., MICROWAVE OVENS. WITH THREE COMPANIES ALREADY PRODUCING COLOR SETS IN U.S., OTHER COMPANIES REPORTEDLY WILL BEGIN LOOKING SERIOUSLY AT INVESTMENT IN U.S. COLOR TV PRODUCTION FACILITIES. J.E.I.A. CHAIRMAN YOSHIYAMA STATED IN MARCH 9 PRESS CONFERENCE THAT JAPANESE COMPANIES SHOULD SERIOUSLY CONSIDER PRODUCTION IN U.S. IN ORDER TO ABSORB U.S. LABOR UNEMPLOYMENT.

5. YOSHIYAMA SAYS HE EXPECTS ITC DECISION TO AFFECT EEC'S ATTITUDE TOWARDS JAPANESE COLOR TV EXPORTS. SEPARATE PRESS ARTICLES, HOWEVER, INDICATE THAT JAPANESE STEEL AND AUTOMOBILE COMPANIES DO NOT EXPECT ITC COLOR TV DECISION TO SET OFF A "BRUSH FIRE" WHICH WILL AFFECT THEIR EXPORTS TO U.S.

6. ALTHOUGH ITC DECISION BECAME KNOWN IN JAPAN AS TOKYO UNCLASSIFIED

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STOCK EXCHANGE BEGAN MORNING TRADING MARCH 9, STOCKS OF NINE COLOR TV MANUFACTURERS ACTUALLY CLOSED HIGHER AT END OF DAY; ONLY ONE COMPANY CLOSED LOWER. SHOESMITH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TELEVISION, IMPORT CONTROLS
Control Number: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29-Sep-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3129393
Secure: OPEN
Status: NATIVE
Subject: JAPANESE PRESS AND INDUSTRY REACTION TO ITC COLOR TV DECISION
TAGS: ETRD, JA, US, ITC
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/e89f24b9-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009